

News Release

U.S. Department of Health & Human Services
News Division

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FOR IMMEDIATE RELEASE

Friday, August 24, 2012

New health care standards to save up to \$6 billion

Today, Department of Health and Human Services (HHS) Secretary Kathleen Sebelius announced a final rule that will save time and money for physicians and other health care providers by establishing a unique health plan identifier (HPID). The rule is one of a series of changes required by the Affordable Care Act to cut red tape in the health care system and will save up to \$6 billion over ten years.

“These new standards are a part of our efforts to help providers and health plans spend less time filling out paperwork and more time seeing their patients,” Secretary Sebelius said.

Currently, when a health care provider bills a health plan, that plan may use a wide range of different identifiers that do not have a standard format. As a result, health care providers run into a number of time-consuming problems, such as misrouting of transactions, rejection of transactions due to insurance identification errors, and difficulty determining patient eligibility. The change announced today will greatly simplify these processes.

The rule also makes final a one-year proposed delay – from Oct. 1, 2013, to Oct. 1, 2014– in the compliance date for use of new codes that classify diseases and health problems. These code sets, known as the International Classification of Diseases, 10th Edition diagnosis and procedure codes, or ICD-10, will include codes for new procedures and diagnoses that improve the quality of information available for quality improvement and payment purposes.

The rule announced today is the fourth administrative simplification regulation issued by HHS under the health reform law:

On July 8, 2011, HHS adopted operating rules for two electronic health care transactions to make it easier for health care providers to determine whether a patient is eligible for coverage and the status of a health care claim submitted to a health insurer. The rules will save up to \$12 billion over ten years.

On Jan. 10, 2012, HHS adopted standards for the health care electronic funds transfers (EFT) and remittance advice transaction between health plans and health care providers. The standards will save up to \$4.6 billion over ten years.

On Aug. 10, 2012, HHS published an IFC that adopted operating rules for the health care EFT and electronic remittance advice transaction. The operating rules will save up to \$4.5 billion over ten years.

More information on the final rule is available in a fact sheet at http://www.cms.gov/apps/media/fact_sheets.asp.

The final rule may be viewed at www.ofr.gov/inspection.aspx.

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